



THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE

REAL PROPERTY TAX SALE
JULY 14–18, 2003

On Monday, July 14, 2003, the Office of Tax and Revenue (“OTR”) will begin the District's Real Property Tax Sale at 941 North Capitol Street, NE, Washington, D.C. 20002, on the 4th floor. The Tax Sale is an annual event required by D.C. statute. The Tax Sale will continue each day, except Saturdays, Sundays and legal holidays, during the hours of 8:30 a.m. to 12:00 noon and 1:00 p.m. to 4:00 p.m., or until all properties advertised for that day are sold. Prospective bidders must register to participate. Please see the attached Tax Sale Procedures for registration requirements.

Prior to the Tax Sale, OTR will conduct four free Tax Sale **seminars** to explain the District of Columbia Tax Sale procedures to prospective bidders. The seminars will be held at 941 North Capitol Street, NE, Washington, D.C. on the 4th floor and will be held on the following dates and times.

Date	Time
Tuesday, June 10, 2003	10:00 a.m. - 12 noon
Tuesday, June, 10, 2003	2:00 p.m. – 4:00 p.m.
Wednesday, June 11, 2003	2:00 p.m. – 4:00 p.m.
Thursday, June 12, 2003	5:00 p.m. – 7:00 p.m.

Registration for the seminar will remain open until all seats are filled. To register for the seminar, please contact a Customer Service representative at (202) 727-4TAX (4829) or you may visit our Customer Service Walk-in Center at 941 North Capitol Street, located on the first floor. Office hours are between 8:15 a.m. to 4:30 p.m. You will be asked to give your name and state which seminar you wish to attend. Seating for each session will be reserved on a first come/first come basis.

We strongly encourage anyone participating in the Tax Sale to attend one of the seminars. Each seminar will cover important statutory requirements that affect the Tax Sale process and provide useful tips for potential buyers. Each session will end with a question and answer period.

A list of the properties that will be sold in the July 2003 Real Property Tax Sale will be published in the Washington Post and the Washington Times in late June. OTR will not provide copies of this list. You must obtain your own copy of the list for your use during the Tax Sale.

We look forward to your participation in the July 2003 Real Property Tax Sale.

2003 TAX SALE PROCEDURES

REGISTRATION

Beginning July 7, 2003, each prospective Tax Sale participant may begin to register with the Office of Tax and Revenue ("OTR") at 941 North Capitol Street, NE, 4th Floor, Washington, D.C. 20002, for the 2003 Tax Sale. Registration will continue throughout the Tax Sale. Registration forms will be available and must be fully completed with the following information:

- Name(s) of purchaser(s) (maximum of two names per registration)
- Purchasers' mailing addresses
- Purchasers' telephone numbers (home, business and fax)
- Amount of deposit
- Signatures of purchasers
- Purchasers' SSN or FEIN Number

A registration number will be assigned to each purchaser at the time of registration.

DEPOSIT

We require a minimum deposit of 20% of the total purchase price. This deposit should be paid at the D.C. Cashier's Office, located at 941 North Capitol Street, NE, 1st Floor, Washington, D.C. 20002, immediately after completing and signing the registration form. The D.C. Cashier's Office is open from 8:15 a.m. to 4:30 p.m., Monday through Friday.

To successfully bid on a property, the purchaser (bidder) must have on deposit a minimum of 20% of the bid. No sale will be completed if the remaining deposit is less than 20% of the sale amount of the property on which the purchaser successfully bids; and in such instance the property will be immediately re-auctioned.

The Deposit Payment must be:

- **Paid in advance by cash, certified check, money order, cashier's check or by bank check**
- **Paid to the D.C. Cashier's Office, located on the 1st floor at 941 North Capitol Street, NE**
- **Made payable to the D.C. Treasurer**

AUCTIONING PROCESS

Bids will automatically begin with the amount of delinquent taxes and advertising expenses listed in the two newspapers of general circulation in the Washington Metropolitan area, which are *The Washington Post* and *The Washington Times*. The bids will be raised by increments of \$25, until the property is sold to the highest bidder.

Properties will be sold in the order that they are listed in the newspapers. Properties will be announced by square, suffix and lot numbers, or by parcel numbers. Please note that not all properties listed in the newspapers will be auctioned. Therefore, it is very important that you follow along with the auctioneer.

A bid is entered when a bidder raises the purchaser "number card" high enough so that the auctioneer can see it. A bidder must also state his or her name. If the bidder is acting for another, the bidder must state the name of the principal.

If OTR identifies a bidder whose current deposit is less than 20% of the total successful bid, the bidder will be notified immediately and the property on which the bid was placed will be re-auctioned immediately. Bidders may increase deposits anytime during the Tax Sale by making payments at the D.C. Cashier's Office on the 1st floor of 941 North Capitol Street. However, the District will not delay bidding to allow a bidder to increase a deposit.

Bidders must ask questions to clarify who the successful purchaser is before the auctioneer goes to the next listed property. Failure to do so may result in a bidder being considered the successful purchaser and, therefore, liable for payment, even if that is not the bidder's intention. All bids are final. Please note that the auction will be tape recorded to ensure the accuracy of the bid.

FINAL PAYMENT

By law, payment in full is due from a successful purchaser within five (5) business days from the last day of the Tax Sale. OTR will mail an invoice to the successful purchaser indicating what property was purchased and the amount owed. However, the successful purchaser must pay the amount owed within five (5) business days after the last day of the Tax Sale, as aforementioned, even if he or she does not receive an invoice in the mail. A duplicate invoice may be obtained at 941 North Capitol Street, NE, 1st Floor, Washington, D.C. 20002, Monday through Friday, between 8:15 a.m. and 4:00 p.m., except legal holidays. If final payment is not received by the prescribed date, twenty percent (20%) of the deposit will be forfeited to the District and the purchase will be canceled.

Final payment must be made in cash or by certified check, cashiers check, money order, or by bank check, made payable to the D.C. Treasurer. Personal checks will not be accepted.

CERTIFICATE OF SALE

After an accounting and reconciliation of the final payment, the Real Property Tax Administration will issue a Certificate of Sale for each property on which a purchaser successfully bids. The issuance of a Certificate of Sale **does not** grant ownership of the property, nor the right to enter on the property. The law allows the property owner or party in interest (*e.g.* lienholder) time to redeem the property.

REFUNDS

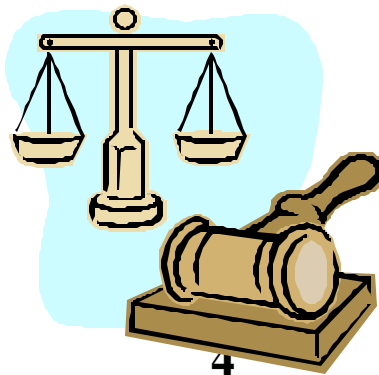
A purchaser will be mailed a refund for that portion of the purchaser's deposit that exceeds his or her successful bid(s). Non-bidders who made a deposit will automatically receive a refund immediately after the Tax Sale has been reconciled and balanced.

If the property on which the purchaser successfully bids is redeemed, the purchaser will receive a refund of the amount of taxes paid with interest thereon, plus surplus. Interest will accrue, until the property is redeemed, at the rate of 1½ percent per month (18% per year) from the date on the Certificate of Sale. Interest is not paid on the surplus amount, which is defined as the amount that is bid over and above the starting bid.

If for any reason, the sale is held to be invalid or ineffectual by the District or by a court, the rate of accruing interest to be refunded will be 1 ½% per month (18% per year) from the date on the Certificate of Sale.

The purchaser is required to surrender the Certificate of Sale to receive a refund. However, if it is not received, a refund will be made and mailed to the successful bidder.

Please allow six (6) to eight (8) weeks for processing refunds.



REDEMPTION PROCEDURES

An owner of a property sold at a Tax Sale may redeem the property any time before the court order is issued, that forecloses upon the right of redemption of the property owner (and interested parties) and entitles the Tax Sale purchaser the right to be issued a tax deed. There is a six-month waiting period. During this six-month waiting period, the Tax Sale purchaser may not begin any foreclosure action on the property. However, during the fourth month of the six-month waiting period, the Tax Sale purchaser may begin Title research. This date is scheduled for November 19, 2003. The Tax Sale purchaser may not begin title research if the owner has redeemed the property before November 19, 2003.

If the property owner redeems their property before the Tax Sale, the owner must:

- Pay all prior year taxes up through the 2002 real property tax year
- Pay all penalty and interest accrued as of the date of payment
- Pay any prior year real property tax lien assigned by the D.C. TLC Trust

If the property owner redeems before the Tax Sale, but after the advertisement, the owner must:

- Pay all prior year taxes up through the 2002 real property tax year
- Pay all penalty and interest accrued as of the date of payment
- Pay any prior year real property tax lien assigned by the D.C. TLC Trust
- Pay the \$13.00 advertisement fee

If the property owner redeems after the Tax Sale, but before the Tax Sale purchaser has initiated a Title research, the owner must:

- Pay all prior year taxes
- Pay any prior year real property tax lien assigned by the D.C. TLC Trust
- Pay all taxes to bring the real property taxes current at the time of redemption, including the penalty and interest that has accrued as of that date
- Pay the \$13.00 advertisement fee
- Pay all assessments, fees and costs assessed by a taxing agency (these assessments, fees, and costs appear on our Web site)
- Pay the recording fee. (\$22.00)

If the property owner redeems after the Tax Sale and after the Tax Sale purchaser has initiated a Title Search, the owner must:

- Pay all prior year taxes
- Pay any prior year real property tax lien assigned by the D.C. TLC Trust
- Pay all taxes to bring the real property taxes current at the time of redemption, including the penalty and interest that has accrued as of that date
- Pay all assessments, fees and costs assessed by a taxing agency (these assessments, fees, and costs appear on our Web site)

REDEMPTION PROCEDURES CON'T

- Pay the \$13.00 advertisement fee
- Pay the recording fee and the pre-complaint legal expenses, which include Title Search fees. (\$322.00)

If the property owner redeems after the Tax Sale and after the purchaser has initiated a foreclosure action in court, the owner must:

- Pay all prior year taxes
- Pay any prior year real property tax lien assigned by the D.C. TLC Trust
- Pay all taxes to bring the real property taxes current at the time of redemption
- Pay all assessments, fees and costs assessed by a taxing agency (these assessments, fees and costs appear on our Web site)
- Pay the penalty and interest that has accrued as of the date
- Pay the \$13.00 advertisement fee
- Pay the recording fee and the pre-complaint legal expenses, which include Title Search fees. (\$322.00)
- Pay all expenses, as allowed by the Superior Court, including expenses for personal service of process, service of process by publication, posting of all required notices, expenses for postage, and reasonable attorney fees

PROCESS REQUIRED TO OBTAIN A TAX DEED

To obtain a Tax Deed, the Tax Sale purchaser must complete the following:

- Conduct a Title Search for all parties with an interest in the property, including the owner
- Initiate a foreclosure action in court, within one (1) year from the last date of the Tax Sale (The Tax Sale purchaser will have to send notice of foreclosure action to all parties identified in Title Search.)
- Obtain a court order from Superior Court, foreclosing the right of redemption of the owner (and all the parties in interest) and providing the purchaser the right to be issued a deed, after satisfying the tax liabilities
- Pay all tax liens due and owing on the property

If the foreclosure action has not begun within one (1) year from the last day of the Tax Sale, the Tax Sale purchaser will forfeit all monies paid at Tax Sale and all monies paid toward the outstanding taxes on the property. The Tax Sale purchaser will not be entitled to receive a tax deed and the purchaser will forfeit their monies. The monies forfeited by the Tax Sale purchaser will go into a general fund. However, these monies are not credited to the payment of the delinquent taxes on the

PROCESS REQUIRED TO OBTAIN A TAX DEED (CONT'D)

property. The owner will continue to be liable for the delinquent taxes, including the penalty and interest that has accrued until the taxes are satisfied.

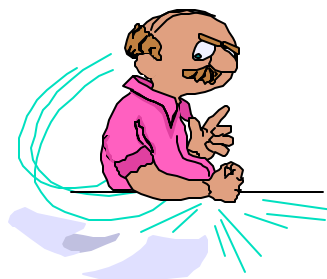
Other actions that will cause a buyer to forfeit monies paid at Tax Sale are to owe any real estate taxes to the District. The monies paid at tax sale will be forfeited to the District.

LEGAL REFERENCES

For citation to the law authorizing the sale of the properties, see the Notice of Real Property Tax Sale published in the two local newspapers in the Washington Metropolitan area immediately preceding the list of properties to be sold. Also refer to the District of Columbia Code and the District of Columbia Municipal Regulations, copies of which may be found in local District of Columbia libraries. **As a purchaser, it is your responsibility to know the law.** At the Tax Sale and throughout the entire Tax Sale process, all bidders bid on properties, purchase properties and may be granted deeds to properties at your own risk.

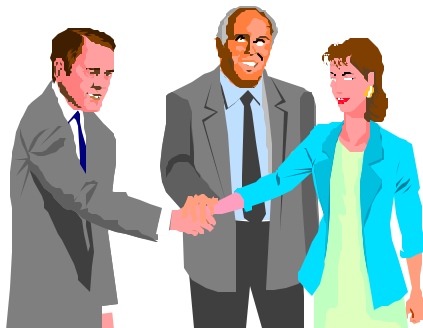
How to Avoid Tax Sale Pitfalls!!!

- The Tax Sale purchaser must exercise “due diligence.” This means he/she must investigate all liabilities assessed against the property before bidding on the property.
- The Tax Sale purchaser should visit the property prior to bidding at the Tax Sale.
- The Tax Sale purchaser must pay the balance of the bid amount within five (5) business days from the last day of the Tax Sale. If the buyer fails to pay the balance on or before the due date, the buyer will forfeit 20% of the amount on deposit.
- The Tax Sale purchaser must begin foreclosure action one year after the last day of the Tax Sale. If foreclosure proceedings have not begun, the buyer will forfeit all monies paid at the Tax Sale and all monies paid toward the outstanding taxes on the property.
- You must pay any and all taxes owed to the District of Columbia Government prior to participating in the Tax Sale.



Benefits of Being a Tax Sale Purchaser

- The buyer receives interest on the amount of money that represents the delinquent tax.
- The buyer receives 1 ½ percent interest per month on his/her investment (18% per year)
- The Tax Sale purchaser would benefit from paying taxes on the property he or she purchased at the Tax Sale because any monies paid will be credited to the deed payment.
- The owner is liable for any outstanding taxes paid by the Tax Sale purchaser on the property.
- If the owner does not redeem the taxes, the Tax Sale purchaser obtains the deed to the property.



This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.